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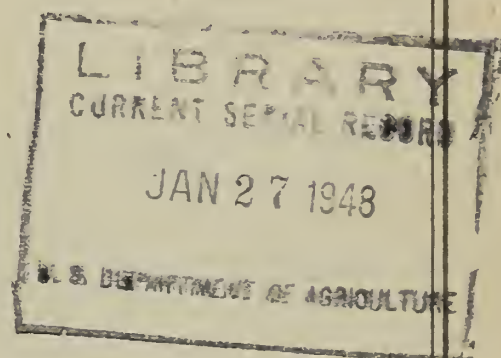
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MERCHANDISING PRODUCTS PROCESSED
BY HORTICULTURAL COOPERATIVES

**BUYERS' SUGGESTIONS FOR
EXPANDING MARKETS AND IMPROVING
DISTRIBUTION OF CITRUS JUICES**

By
HARRY C. HENSLEY
and
ANNE L. GESSNER



Preliminary Report of a study made under the
Research and Marketing Act of 1946 ... Project No. 84

**COOPERATIVE RESEARCH AND SERVICE DIVISION
FARM CREDIT ADMINISTRATION
UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C.**

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DISTRIBUTION OF CITRUS JUICES

Merchandising Products Processed by Horticultural Cooperatives

By

Harry C. Hensley and Anne L. Gessner
Agricultural Economists

This report summarizes suggestions made by wholesale distributors for expanding markets and increasing efficiency in the distribution of citrus juices in the United States. Additional reports covering the citrus juice survey will be issued as tabulations and analyses are completed. This report is based on responses from 2,139 firms reporting purchases during the 1946-47 season of 27,571,865 cases of citrus juices, a sample representing approximately 50 percent of the total pack.

After discussing the study with the Citrus Fruit Advisory Committee, formed in connection with the Research and Marketing Act of 1946, it was decided to make a preliminary report available at this time. This report covers part of one phase of a much broader study of the merchandising of products processed by horticultural cooperatives, the major objectives of which briefly are to: (1) examine the merchandising methods of cooperatives processing canned and frozen fruits and vegetables; (2) analyze their distribution costs to determine wherein savings may be effected; (3) obtain and analyze trade preferences for kinds, types, varieties, grades, and brands of products processed by cooperatives to serve as a basis of judgment for a better adjustment of production to trade and consumer demand; and (4) recommend desirable and feasible changes for increasing marketing efficiency.

The decision to include a survey of the market for citrus juices in the overall study was made because: (1) cooperatives are a major factor in the citrus industry, accounting for one-fourth of the processed citrus and more than one-half of the citrus sold fresh; (2) citrus juices represent an important segment of the processing industry; (3) market problems for citrus are serious and pressing; and (4) the product receives national distribution.

NOTE. - Acknowledgment is made of the fine cooperation of wholesale-grocer and chain-store buyers in supplying the information on which this study is based; of M. C. Gay, K. B. Gardner, and J. K. Samuels, economists of the Cooperative Research and Service Division for counsel in conducting the study; of Flossie Holt of the Division staff for handling the copy; and of T. W. Pritchard of the Division of Information and Extension for the sketches.

The suggestions submitted by buyers experienced in sampling, purchasing and distributing processed foods, are directed primarily toward solution of some of the problems of mutual concern to citrus processors and growers. Distributors and consumers also have a stake in these problems.

The report deals only with the responses of wholesale-grocer and chain-store buyers to questions 10 and 11 spotlighted in the Confidential Citrus Juice Survey schedule reproduced in this publication. The schedule was reviewed by citrus-juice processors, distributors, staff members of Agricultural Colleges in the citrus regions, and marketing economists in the U. S. Department of Agriculture. Following a test of the schedule in Baltimore, Maryland, final revisions were made and approval given for distribution.

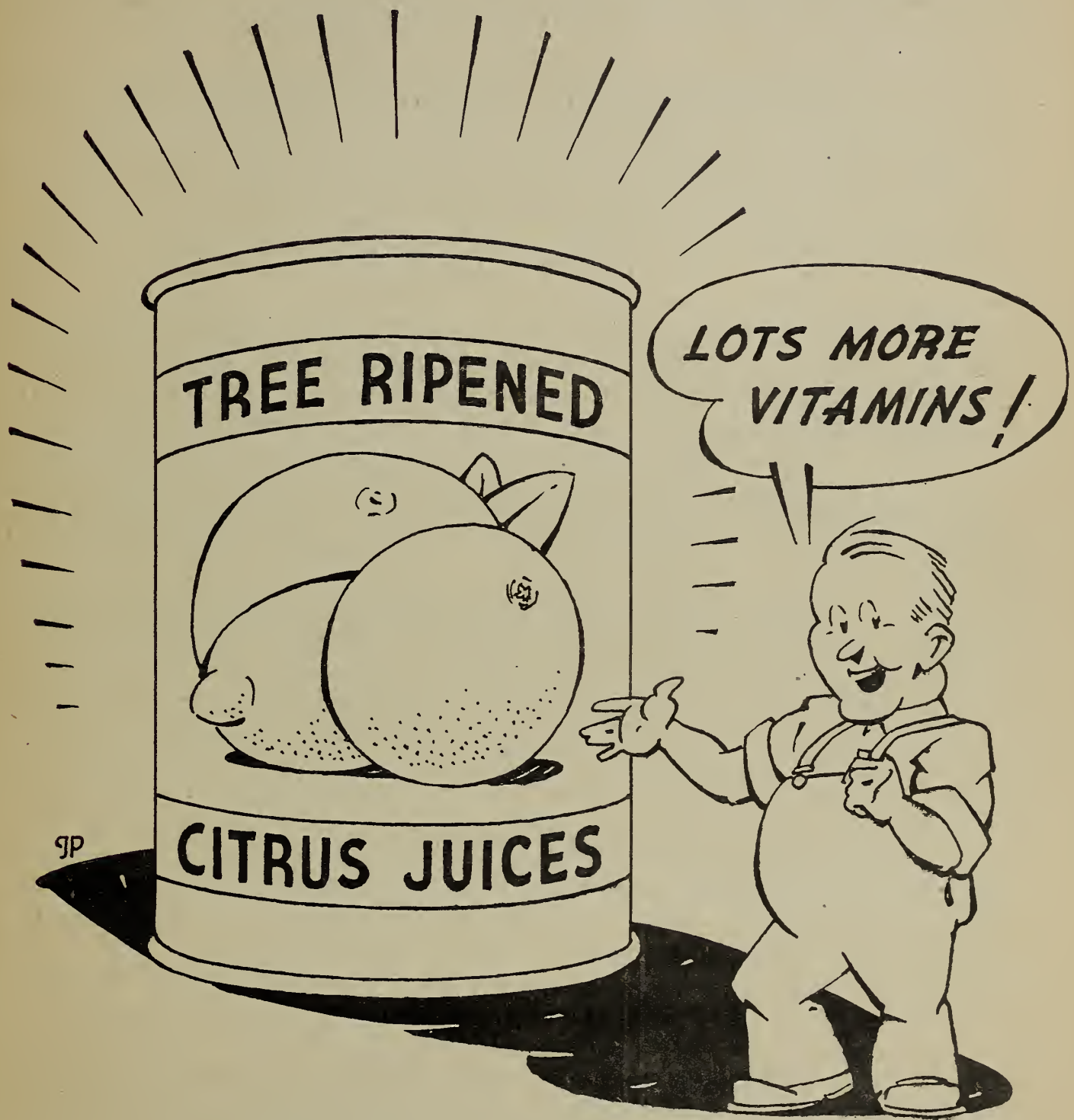
On November 3, 1947, the schedule was mailed, with a letter of transmittal explaining the general purpose of the survey, to some 6,200 wholesale-grocer and chain-store buyers of citrus juices. Two weeks later a second request was sent to those buyers who had not replied. Special letters were written to buyers for large and medium-sized chains and personal calls were made on the management officials of a few of the leading chains to enlist their cooperation in the survey.

Buyers' ideas are classified under suggestions for: (1) expanding markets and (2) increasing efficiency in distribution. These two major sections of the report are introduced by the sketches: (1) health and nutrition and (2) transportation. Under the first classification buyers emphasize the value of citrus juices in the diet and stress the need for improving flavor by selecting for processing only mature, tree-ripened fruit. They also point to the need for strict control of quality and sanitation in the processing plant. Quality and price are most frequently mentioned as the basis for building a successful educational and merchandising program leading to the expansion of markets. The suggestions offered are chiefly those for improving processing practices which processors' and growers' organizations working together can make effective.

Buyers' ideas for increasing efficiency in distribution center around price stability and economies in transportation. On the whole, distributors see little that they themselves can do to increase efficiency in distribution. Suggestions offered, if adopted, would tend to shift some of the risks in marketing - for example, price declines and product deterioration - toward the processor and the transportation system.

The suggestions made in reply to questions 10 and 11 of the schedule, which are quoted in the following pages, are identified only by the Census Geographic Area in which the buyer responding is located, followed by his schedule number, and the number of cases of citrus juices purchased by his firm in the 1946-47 season.

HEALTH *and* NUTRITION



HOW CAN THE MARKETS BE EXPANDED FOR CITRUS JUICES?

Replies to Question No. 10:

"How can the markets be expanded for citrus juices?"

The replies quoted below from wholesale and chain-store buyers stress the importance of educating consumers regarding the nutritional and health aspects of canned citrus juices through education, advertising, and other promotional methods.

West South Central - Schedule No. 3355 - 11,000 cases:

Comprehensive articles in the medical periodicals on the benefits of citrus juices as to vitamin and minerals should help. Also advertising generally to the public through papers, magazines, and radio on health diets, balanced meals, and nutrition in general. This should be done as an industry such as the preserve manufacturers' cooperative advertising.

Pacific - Schedule No. 953 - 1,150 cases:

I believe that if the public could be educated as to the health-giving qualities of citrus juices, the market could be greatly expanded. Everybody today is more or less health- and vitamin-conscious, and as you know citrus juices are full of vitamins. Therefore I believe that a good advertising program would be very helpful. More emphasis could be placed on freezing citrus juices as a dessert or as a cooling summer treat for the children.

East South Central - Schedule No. 3769 - 3,200 cases:

During the war when soft drinks were not available in any great quantities, we sold lots of citrus juices, but since soft drinks have become plentiful again, the demand for citrus juices has fallen off or declined with us at least 75%. As to how we can get people to drink more citrus juices, it appears to me, is a question of acquainting them with the nourishment value of citrus juices over soft drinks, which have little or no nourishment value except sugar content. This could be best accomplished, I believe, through the grade and high school cafeterias since most children as well as adults will eat or drink whatever is placed before them. Citrus juice concentrates are now being furnished our schools here free of charge, and this may eventually create a larger demand.

East North Central - Schedule No. 1492 - 425 cases:

Educational advertising to influence consumer to buy citrus juices for food value and quality in preference to soft drinks of imitation and sugar flavoring of water, etc. Stress citrus juices as a must item in daily diet.

South Atlantic - Schedule No. 6193 - 1,825 cases:

Expansion in the market for citrus juices can be secured first at the source of manufacture by careful inspection of the fruit being juiced so that the natural flavor of the juice will be enhanced. Through constant advertising so that the healthful qualities will be before the public eye at all times. This can be done through national advertising in all of the popular magazines and the large circulation newspapers. Serving citrus juices on the school lunch programs would not only increase consumption but would build up children's taste for consumption in later years. By urging the use of citrus juices through teachers in Home Economics classes in the high schools you would be building up for future use of this commodity. First and most important, however, we should strive to improve the flavor of canned citrus juice so that it will be the same as fresh juice.

South Atlantic - Schedule No. 4260 - 1,846 cases:

Have noticed a decided swing from Natural Juices to Sweetened Juices in past several years. This was due largely to "Sweet" complex in minds of people on account of sugar ration. But, consistency and palatableness are telling factors--juices have been too tart. More advertising or educational work needed in rural areas to acquaint them with the nutritional and medicinal values of citrus juices--both sweetened and unsweetened as the case may be. Care has got to be exercised by the packer to consistently produce the best juice possible, and likewise distributors, we believe, will increase consumption among their potential trade by confining their efforts to fewer good brands which can be depended upon, and without prejudice to any packer or packers, not handle one brand today and another tomorrow.

West South Central - Schedule No. 3967 - 800 cases:

There isn't anything more healthful than a glass of grapefruit, orange or blend before meals and a glass before retiring. Doctors prescribe liquid foods--mostly fruit juices--to persons who want to gain their health or to straighten their system. Do all people have to go to a doctor and pay his fee so that he can tell them to drink fruit juices? No. A little more advertising by the growers and packers would be helpful as well as by hotels and restaurants. For the last 10 years, we never fail to have fruit juices at the breakfast table and I have not paid any doctor bills and my family numbers 7.

West North Central - Schedule No. 7297 - 12,000 cases:

Expand further the nutritive and health value of citrus juices. Keep on improving quality and keep prices at a reasonable level.

Middle Atlantic - Schedule No. 2600 - 1,425 cases:

Best way to expand markets for citrus juices is to keep the housewife conscious they are a valuable source of vitamins, so needed for body and health safeguards.

West South Central - Schedule No. 4064 - 1,050 cases:

In regards to marketing of citrus juices, I would say a more complete knowledge of local conditions should be known by the packer; more advertising from a standpoint of health; more strict controls on packers for grade.

The following replies in answer to question 10 all relate to quality and make particular reference to the need for processing juice from mature citrus fruit. In addition to the replies quoted below, 16 other schedules referred to the necessity for packing juice from mature fruit.

Middle Atlantic - Schedule No. 5131 - 53,348 cases:

Improvement of the product would be one of the best ways to expand the market. The consumer who buys a can of this early-pack "sweetened water" which some packers call juice may become so disappointed that she will not try canned citrus juice for a long time. But the consumer who tries the late-pack juice at the peak of flavor will be so favorably impressed that she will buy it habitually. Greater uniformity of quality is needed, and a first step toward it would be industry-wide standards of early-pack quality. After greater uniformity is attained, we need more specific knowledge of vitamin content and retention of canned citrus juices. This could then be publicized in industry-wide advertising to promote wider consumption. The advertising should include recipes and recommended new uses. I want to emphasize that improvement in quality must precede the advertising, not vice versa.

South Atlantic - Schedule No. 1108 - 2,610 cases:

We think that the prime factor is naturally ripened and sweetened fruit. In our humble opinion, there is no canner in the business that can pack a quality piece of merchandise in the way of citrus juices unless he has fully ripened fruit to start with. By this standard we mean that a grapefruit, orange or a tangerine is not fully ripened until we have had several real frosty mornings. This atmospheric condition seems to stop the growth and then the sugar content develops to a marked degree over what the fruit contains before such cold weather is experienced. We think the fact that a lot of shippers and canners are handling immature fruit is one of the main factors in universal distribution of this product. Both shippers and canners try to beat the other canner to the gun in trying to get fruit to the Northern markets ahead of someone else with the result that Florida citrus, both fruit and juice is always given a black eye right at the start of the season.

South Atlantic - Schedule No. 7433 - 1,700 cases:

The only way for Citrus Juices to gain popularity and increased sales is thru restriction of packing early juices. So many packers try to flood the market with early Parson Brown Oranges and early Grapefruit and pour the sugar into them to sweeten the flavor. This is suicide and kills the juice business. Juices should not be packed in October or November; the fruit is not consistently sweet and tree-ripened. Once a consumer buys this early grade, then they are done with juices for the balance of the year. The real taste is not in the can. From the standpoint of the consumer buying there is no way to tell one juice from another. It all looks alike to the buying public. One bad can will do more harm than 20 good cans can restore to favor. We think that unsweetened juice would be the real answer, because a packer has to pack quality fruit and that fruit would not get into the can unless it is ripened to the full sugar content.

New England - Schedule No. 6514 - 70,250 cases:

The greed of some packers to get on the market early what is considered by many to be inferior juice does not help the overall picture of the fruit juice business. People who get juices made from fully mature and ripened fruit are apt to enjoy them and go back for more, but those who try these immature and inferior juices get the wrong impression when they use them for the first time. They hesitate to try it again, and this does not help the industry.

New England - Schedule No. 261 - 4,367 cases:

Markets for citrus juices, in our opinion, could best be expanded by marketing only high quality goods. Every year there seems to be a lot of juice packed from immature fruit by less responsible packers. Price may be a little lower and it finds ready sale among less responsible buyers. We believe the distribution of such inferior goods hurts the sale of all juices.

Middle Atlantic - Schedule No. 435 - 18,617 cases:

Use of canned citrus has steadily increased for past several years. Packers seem to have answers as to how to accomplish this. This year has proven for one thing that prices to consumer must be kept down to insure peak consumption. We have encountered no problems in obtaining supplies when needed. This question seems to be more of a packers' problem than one for distributors. As new crops approach most large packers of quality juice state they will not pack until fruit, in their opinion, is mature enough for a quality canned product. However, there are always some packers anxious to supply the demand from a bare market who will pack and market the poor quality juice that must come from early fruit. Wouldn't it be beneficial to the industry as a whole to set a date when it is definitely determined that fruit has reached proper maturity when packing operations should start?

East North Central - Schedule No. 1441 - 1,035 cases:

A constructive suggestion: If the quality of the first juice packed in Florida at the start of packing season could be improved in comparison with juice packed in late December or January it would help to support the price. Most early Florida citrus juice is no good; therefore, it becomes a drug on the market and then it becomes a surplus item in the warehouse, causing many wholesalers to often cut the price far below cost to dispose of it. Citrus juices are becoming a very dangerous item to handle due to this condition. It is almost the same as the butter market.

East North Central - Schedule No. 2041 - 10,150 cases:

By all packers maintaining a high quality juice. Eliminate early pack when it is impossible to produce the best juice. Our earliest purchases are made about January 1st., from packers known for their quality products. This assures us of obtaining the best quality and results have proven that retailers and consumers are aware of this fact in juice packed under own labels.

Middle Atlantic - Schedule No. 538 - 945,000 cases:

Eliminate off-grade juices from grocers shelves and stop packing juices from immature fruit.

West South Central - Schedule No. 248 - 36,916 cases:

Do not pack juice from early oranges or prior to December 1st to 15th. Early juice does not have the best flavor and retards the sale later on when better juice is available.

Middle Atlantic - Schedule No. 2707 - 238,030 cases:

Improve quality and eliminate early fruit.

East North Central - Schedule No. 5048 - 26,315 cases:

Keep quality up -- too much early junk juice packed -- you can't increase sales without steady high quality.

Mountain - Schedule No. 2525 - 14,000 cases:

Not to pack from fruit not fully matured. If only a small percent is packed and marketed from fruit not fully ripe it does a lot of damage to the whole pack when consumers buy such juice they shy away from good juices even if 95% of the pack is from fruit that is right.

The following replies emphasize the need for a continued effort to improve the flavor of canned citrus juices. This factor was mentioned in 18 other replies not quoted below.

Middle Atlantic - Schedule No. 2638 - 59,750 cases:

The most important factor in getting more people to use increased quantities of citrus juices is to improve the palatability of this commodity. If more care is exercised in the extraction of the juice from the fruit, the objectionable factor of the bitter oils from the skins of the citrus fruits can be eliminated. The appeal to the taste of the populace can undoubtedly stir up greater activity in the movement of canned citrus juices. Constant advertising can be of immense help insofar as putting across the great health benefits derived from the use of citrus juices. Due to a large number of unknown brands on the market it would be to the advantage of all citrus juice packers to use grade labeling. In this way a woman would not hesitate to accept an unknown brand when labeled Grade "A".

East North Central - Schedule No. 1488 - 1,800 cases:

The quality has been very poor and bitter; the public has the money to buy fresh citrus fruit and could not possibly enjoy drinking the juices packed--they are too far from the natural taste. The industry has expanded and the pack has been doubled. To consume it, it must at least approach the natural taste.

Middle Atlantic - Schedule No. 7191 - 4,950 cases:

Further improvements, if possible, in containers and also processing to increase shelf-life without deterioration in flavor. The nearer the flavor of the canned product to that of the fresh product the more readily acceptable by the public.

West North Central - Schedule No. 1606 - 47,000 cases:

Packers should improve quality. Orange juice should have more the flavor of fresh orange juice. That is about the only complaint consumers ever offer.

Pacific - Schedule No. 884 - 19,350 cases:

By improving the flavor and keeping qualities of the juices. With reference to improving the flavor, we don't mean a change of flavor but bringing the flavor closer to the natural true fruit flavor.

South Atlantic - Schedule No. 0650 - 304,550 cases:

Perfect juices--improve taste--develop new types. Packing of tangerine juice is promising. Perfecting quality of juices.

West North Central - Schedule No. 342 - 40,197 cases:

Continue research until a citrus juice approximately the taste of the fresh fruit is reached.

Middle Atlantic - Schedule No. 2682 - 1,400 cases:

The only suggestion we have to offer, is the removal of the "tinny" taste in canned citrus juices.

West South Central - Schedule No. 760 - 1,400 cases:

By eliminating taste of peel.

The replies quoted below in answer to question 10 refer to the need for improvement in quality, but do not specify in what way such an improvement might be brought about. Similar replies were given on some 28 other schedules.

East South Central - Schedule No. 1692 - 4,075 cases:

During the past four years citrus juices have shown a tremendous increase in our market due to shortage of soft drinks. This is now over and sales are normal. Have no suggestions regarding increasing the demand and consumption, except packers should strive to pack good juice at all times and continually try to improve their product. Low grade juice will do great damage to the industry.

Middle Atlantic - Schedule No. 3551 - 4,698 cases:

Better consumption of citrus juices might be obtained by keeping poor quality juices off the market. When people receive poor quality juice, they very often brand the whole field of that particular product as unsatisfactory and stop using it. Being a low-price juice, high quality is very important.

East South Central - Schedule No. 3783 - 3,140 cases:

Eliminate any inferior pack - the housewife gets one can of sorry juice (some brand) and condemns all juices - doesn't buy any more for some time and tells her friends how sorry it is.

Middle Atlantic - Schedule No. 6816 - 13,800 cases:

The market on citrus juices can be expanded if off grade or poor grade products are not marketed. Consumer getting some of the poor grade early pack juice late in season is cured of buying citrus juices for a long while. Sometimes they never come back.

Middle Atlantic - Schedule No. 2641 - 6,800 cases:

Sale of juices can be expanded if packers will strive to pack quality and not quantity, and sell fresh packed merchandise, not stale goods that are cloudy and brown.

West North Central - Schedule No. 224 - 7,050 cases:

Poor quality juice discourages housewife in buying any brand of juice. Low quality juice should not be shipped at all.

Middle Atlantic - Schedule No. 6886 - 5,350 cases:

Endeavour to improve the quality, prohibit packers from packing juices of inferior quality.

West North Central - Schedule No. 6607 - 3,200 cases:

The poor quality juices that have appeared on the market the past few years has left a sour taste in the mouth of the consumer. High uniform quality might help.

West South Central - Schedule No. 3948 - 26,200 cases:

Keep the quality up -- definitely.

The comments reported below indicate that these buyers consider price and quality equally important factors in expanding the market for citrus juices. A similar opinion was shared by 27 other buyers whose comments are not included here.

East North Central - Schedule No. 162 - 571,517 cases:

We insist on top quality at low prices and concentrate on sale of large can. To expand markets or increase distribution - continue to improve the product - sell it as low as possible.

East South Central - Schedule No. 3767 - 23,700 cases:

By all means keep prices on citrus juices low as compared with other items and especially as compared to tomato juice. Employ more strict grading of all citrus juices and discourage packers from packing any juices of poor quality. If this were enforced strictly it might mean curtailment of total pack. This, in our opinion, would be good for the industry.

East North Central - Schedule No. 3207 - 4,300 cases:

Prices should be kept low enough so that the average consumer can afford to use them. The juices must at all times have uniform quality pack. They should not rush fruit into the market until the fruit is mature enough and the quality of the juice is accepted by the consumer. The juices should be good all season long.

Pacific - Schedule No. 4298 - 3,250 cases:

Market expands on citrus juice when price is low. The quality should be good. Distribution of citrus juices is best in carload lots. Shipments should arrive to be on market as early as possible. People should be encouraged to buy by the case. Price would be cheaper in case lots also they should be delivered to the home.

Middle Atlantic - Schedule No. 5 - Over 1,000,000 cases:

Maintain high quality with reasonable prices.

Middle Atlantic - Schedule No. 6833 - 9,225 cases:

The market of citrus juices can be expanded by all packing juices from the best fruit obtainable and keep prices down where it can reach every household.

East South Central - Schedule No. 2259 - 305 cases:

Maintain good quality and reasonable price level. We sold several times as much juice in 1947 as in 1946 by a combination of the above two factors.

Mountain - Schedule No. 6763 - 6,600 cases:

Packers should be more uniform in market price. Improve quality in many instances, also provide more advertising co-operation. Packers should not try to make such large profits, on short packs.

West South Central - Schedule No. 4036 - 1,315 cases:

Price and quality seem to be the greatest single factor. My observation that largely people in the \$200.00 per month and up income bracket seem to be the most consistent users. The medical profession has been of much benefit to the industry.

Middle Atlantic - Schedule No. 3511 - 1,875 cases:

Markets can be expanded by canning only juices from ripened fruits and keeping prices within reach of the lower income brackets.

Pacific - Schedule No. 68 - 201,226 cases:

Improvement in quality and reduction in price.

Pacific - Schedule No. 6136 - 8,050 cases:

Markets can be expanded by offering juices of better quality, flavor, uniformity. A more freshlike juice should be turned out. All poorer fruit should be omitted from all commercial packs. Less price fluctuations would also help.

Of the total replies received to Question 10, other than those relating to quality, the largest number dealing with one method of increasing consumption referred to advertising and display, or similar methods of promotion. The following are just a few of the replies received stressing the importance of promotion in expanding the markets for citrus juices.

East North Central - Schedule No. 1482 - 9,850 cases:

More advertising should be done by packers. Canned citrus is just coming out of the experimental stage, and with quality now very good, a more thorough distribution would strengthen the foothold of the product. This can be done only by constantly keeping the item before the public and encouraging them to buy.

East North Central - Schedule No. 1473 - 58,600 cases:

Mass store display. Cooperative dealer-distributor group advertising, plus distributor incentive sales. Compensation which our salesmen have.

East North Central - Schedule No. 1470 - 7,850 cases:

Advertising--giving the public all the salient points as to food value and relative reasonableness of price in comparison to other foods.

East North Central - Schedule No. 1481 - 3,500 cases:

By continued advertising campaigns by the canners' associations, especially during the winter season when colds are prevalent.

New England - Schedule No. 4167 - 1,950 cases:

I think advertising is definitely lacking in the citrus field. The industry as a whole advertises but brands are what people want to see. It is not up to the wholesaler or retailer to do this advertising but rather the producer.

Middle Atlantic - Schedule No. 3496 - 1,170 cases:

Radio advertising - advising people of the advantage in price, in quality, and benefits to health - via radio.

Middle Atlantic - Schedule No. 2495 - 710 cases:

By consumer advertising, especially in places where public is bound to attend. Also in school systems, youth is one of your best advertising media.

West North Central - Schedule No. 223 - 20,000 cases:

Large floor displays. Local advertising and small mark-up.

Mountain - Schedule No. 6692 - 12,780 cases:

Encourage retail display and cooperation.

Other replies combined the need for advertising with some other method of increasing the market for citrus juices, such as keeping prices reasonable, improving quality, or pointing out nutritional value.

Middle Atlantic - Schedule No. 411 - 722,410 cases:

By not packing juice until fruit is at peak of quality assuring uniform flavor and color. National advertising and more aggressive merchandising, store displays, etc.

Middle Atlantic - Schedule No. 383 - 169,402 cases:

Lower prices. More advertising. Better quality. By not packing juice as early as is now being done, especially orange juice.

Middle Atlantic - Schedule No. 7223 - 325 cases:

Markets can be expanded a great deal if retailers would cooperate and display citrus products in their most prominent place in the store, along with a concerted advertising drive in magazines, posters and newspapers. Sample demonstration would introduce citrus juices to a greater number of people, this could be handled in the larger self-service market.

East North Central - Schedule No. 184 - 750 cases:

More advertising about health and keeping fit thru consuming fruit juices. Tie in with breakfast food advertising. Have doctors advocate more needs in eating good breakfasts with fruit juice included.

East North Central - Schedule No. 2034 - 104,500 cases:

Foremost by keeping the quality good and prices attractive to the consumer. Then a continuation of the advertising program started in the last few years.

South Atlantic - Schedule No. 2983 - 3,150 cases:

By constant attractive advertising coupled with cooperation on part of retailer displaying properly and most important not trying to make too long a profit on the juice line.

East North Central - Schedule No. 3225 - 1,500 cases:

By advertising every possible method. Keep the price on citrus juices down so that the housewife will prefer it to fresh juice. Overcome the canned taste of all juices.

Middle Atlantic - Schedule No. 2952 - 7,550 cases:

I do not believe that present advertising brings the benefits of vitamins and health benefit of citrus juice to the public and there is no where near enough advertising of citrus juices.

West South Central - Schedule No. 3992 - 58,851 cases:

Keep prices reasonably low - advertise health benefits vs. carbonated beverages.

West South Central - Schedule No. 3376 - 4,880 cases:

Industry wide advertising stressing: (1) naturalness of flavor, (2) Healthfulness, (3) Economy, (4) Recipes.

West South Central - Schedule No. 4019 - 8,400 cases:

The sale of citrus juices, in my opinion, can be increased through extensive advertising and better store displays and promotions. I further believe that the Government should not permit the packing of inferior citrus juices.

Middle Atlantic - Schedule No. 7214 - 600 cases:

More aggressive advertising campaign featuring health benefits derived from drinking all juices. Recipes in which juices enhance the flavor of the finished product for the housewife.

Mountain - Schedule No. 731 - 21,957 cases:

Continued advertising - stress quality, economy, ease of preparation, etc.

East North Central - Schedule No. 1337 - 94,549 cases:

Maintaining quality and advertising.

Middle Atlantic - Schedule No. 2615 - 2,500 cases:

More advertising. Play up vitamin content and medicinal uses.

Price ranked next to advertising in number of mentions as an important item in expanding the market for citrus juices.

New England - Schedule No. 257 - Over 1,000,000 cases:

Keep prices moderately low so all income groups can purchase. At present retail price levels, trade can maintain and increase consumption. Last year, lost moderate amount on citrus inventories. Prices to consumers got too high.

East South Central - Schedule No. 701 - 5,150 cases:

Principal factor for poor mkt.--very erratic price structure. Denies buying public a reliable scale upon which to give relative intrinsic value. Consequently we buy on price to be competitive regardless of quality, pack, etc. Juices have become a featured--loss leader item in all levels of trade. Now purchased in minimum quantities. Demand sketchy. Cannery price structure no basis of value--at one time they mulch the public--then in turn get caught with heavy stocks between bankers and a very thin market. A very unsatisfactory item on which to base a business.

West South Central - Schedule No. 803 - On account of carry-over did not purchase in 1946-47:

Our citrus juice business for the past year has been almost nil. We, like most other jobbers, have been losing money on all citrus juices. We had a big stock when the drop came and have been unable to gain our business back that we once had on these items. We are under the impression that the citrus juice people priced their products off the market and it has been our experience that when this happens it is hard to get the consumer back. At one time this business was one of our best of all the lines and we know that something has happened to it but we are at a loss to put our finger on the trouble.

West North Central - Schedule No. 2123 - 151,773 cases:

By keeping prices at right level, continued improvement on packing methods and additional promotional work by citrus commission.

West North Central - Schedule No. 2310 - 1,025 cases:

The market for citrus juice can be expanded by promotional work with those consumers that do not now use citrus juices. This market can also be expanded by keeping the cost of production low enough to interest all the people from a price standpoint in citrus juices, being careful not to lower the quality to make an attractive price.

South Atlantic - Schedule No. 4362 - 2,300 cases:

Keep price low enough so that the working man's family can afford to drink it in volume.

South Atlantic - Schedule No. 1237 - 2,300 cases:

By keeping juice in the low price range of all consumers so that it will be used in quantity.

South Atlantic - Schedule No. 4259 - 2,100 cases:

Reducing prices which still are too high especially for orange juice.

New England - Schedule No. 266 - 103,350 cases:

By a low retail price.

East North Central - Schedule No. 3220 - 12,822 cases:

Keep prices down to a level of those last year (1946-47 Pack)

West North Central - Schedule No. 3187 - 3,985 cases:

Keep price down. By this I mean 46-oz. grapefruit juice which can retail from 19¢ to 23¢, orange and blend 27¢ to 29¢.

South Atlantic - Schedule No. 1171 - 1,065 cases:

When retail prices exceed 15¢ for No. 2 can, consumers slow down on buying.

The following replies to Question 10 indicate a desire on the part of buyers for more rigid inspection and enforcement of quality standards in the processing of citrus juices.

South Atlantic - Schedule No. 4183 - 6,260 cases:

Referring to question 10 on the opposite side of this sheet, we wish to make the following comments. Our observation seems to be that there is a general lack of quality control of juices packed in the State of Florida, and particularly in the State of Texas. There are many packing units in Florida which have good control, but by and large we feel that this is principally not the case. We also feel that the industry in part seems to be anxious to market early fruit juices, which, it is a well established fact, consist primarily of green fruit juice which cannot be brought up to the quality point of matured fruit. This one feature is doing a great deal to retard the development of citrus juices.

South Atlantic - Schedule No. 1070 - 6,100 cases:

Merchants advise us that customers are never sure of getting the exact taste from each can of juice. This seems to be a weak link with the Citrus Industry. The taste will vary even when customers use the same brand. If there were some way of having a more uniform flavor or taste, it would materially assist in the ultimate consumption. Another problem is that many canners unload juice on the market that is off quality, and even if it is at a price, it tends to affect the buying public. We find the customers are fast moving to USDA inspection and grades, but this too, has its weak points; namely, there will be several brands showing U. S. Grade Fancy, the flavor will differ widely in each brand. To the consumer this is confusing. This year, the consumer switched rather heavily from natural or unsweetened juice to sweetened juice. The main reason for this is that they are trying to find uniformity in flavor, and sweetened juice does do this.

West North Central - Schedule No. 1501 - 5,000 cases:

All the canning plants, no matter where located, should be more rigidly inspected so the consumer would receive only the very best in citrus juice. There is nothing that hurts the sale of citrus juice any worse than poor products.

Pacific - Schedule No. 927 - 350,200 cases:

By stressing and continually improving quality. Citrus juice markets can be expanded by setting more rigid standards for all items, particularly grapefruit juice.

East North Central - Schedule No. 5052 - 17,415 cases:

Markets can be extended in my opinion by more rigid control on the quality more than any other factor.

Middle Atlantic - Schedule No. 6943 - 600 cases:

The U. S. Dept. of Agriculture should put before the public an educational program setting forth the value of canned citrus fruit juices as against the drive being made by the growers of fresh fruit. Each and every juice that is canned should be labeled as to the exact vitamin content, and additional vitamins should be worked into the juice if it is at all possible. Standards should be set up by the Dept. so that a uniformity will exist in all canned juices (all this under rigid Govt. Inspection). The foreign element in this country is still suffering under the illusion that anything canned cannot possibly be as good as the fresh product. The use also of fruit juices (canned) for infant feeding should be looked into, the U. S. Dept. of Health together with the U. S. Dept. of Agriculture should bend their efforts towards perfecting a small can or bottle, about 2 oz. in size, that would contain the various fruit juices which could be safely fed to infants, and yet the juices should be processed so that none of the original vitamins are lost.

East North Central - Schedule No. 2080 - 14,060 cases:

Better state supervision for quality of early juice. Best way to keep citrus juices on the increase is better the quality.

Middle Atlantic - Schedule No. 3587 - 3,150 cases:

Pack better juice. The early packs made from unripened fruit turn people from canned juice completely. Remove the requirement about the addition of sugar. This should not be required unless this addition is more than enough to bring the juice to the natural sweetness. I believe that a standard of sweetness should be established - this should be as sweet as fully ripe fruit in the best of seasons. It should be permissible to add enough sugar to bring juice to this point without putting on the label the word "sweetened." Many people won't drink sweetened juice and don't like unsweetened because they have had some that was definitely below tree-ripened sweetness. To our taste, a little sugar helps juice retain its natural flavor. If all juice had some sweetening added to it without so stating, greater sales would result.

Middle Atlantic - Schedule No. 6810 - 4,410 cases:

Continuous supervision by the Government so as to maintain high standards of quality.

New uses and new sizes of containers were suggested by several buyers as methods by which consumption could be increased.

Pacific - Schedule No. 3421 - 28,100 cases:

We have found through survey in our sales department that the advertising of citrus juice for three meals a day instead of the usual one, which is breakfast, would increase the sales of citrus products. This can be done by giving Mrs. Housewife menu suggestions with citrus juices and products included.

West North Central - Schedule No. 2312 - 920 cases:

Citrus juice markets could be expanded by increased advertising along "healthful living" lines, and by an increase in the self-service juice vending machines. Possibly a warm juice sponsored during the winter season would help considerably, with a cocoanut blend.

South Atlantic - Schedule No. 3656 - 2,820 cases:

The greater part of citrus juices consumed today is in the homes. in this section of the country where workers are out on public jobs in the factories or mills where lunches are carried from homes most people drink bottled or concentrated drinks. Drinks are chilled or iced in retail stores near by and in smaller containers. A No. 2 can of citrus juice is more than the average person wants at one time. Retail stores seldom have citrus juices already iced. It may be that smaller cans of citrus juices chilled would help increase consumption.

West South Central - Schedule No. 4082 - 15,075 cases:

The writer thinks by continuing with an extensive consistent advertising program, in the press and over the air waves, the industry can continue to merchandise an increased amount of citrus juices. At the same time, the industry can set their research departments to work to find new uses for citrus juices and work with the Medical Association for uses in that profession.

West North Central - Schedule No. 1542 - 65,000 cases:

Try to capture a part of the "pop" market. Usually fruit juices are cheaper per ounce than _____, for example, surely much better for youngsters and older folks to drink. Give more recipes for the making of combination cold drinks composed of genuine fruit juices.

South Atlantic - Schedule No. 451 - 2,600 cases:

We believe sales could be increased if it could be bottled and sold same way as carbonated or soft drinks are sold.

East South Central - Schedule No. 653 - 1,430 cases:

By packing in small 6-oz. can suitable for use in cold-drink boxes. A well rounded advertising program to explain this usage during hot weather months.

East North Central - Schedule No. 655 - 2,900 cases:

Smaller size cans which can be placed in drink boxes.

South Atlantic - Schedule No. 3141 - 1,500 cases:

More education in advertising, etc. Bottle to sell like drinks in pure form.

South Atlantic - Schedule No. 7011 - 700 cases:

Put citrus juices in commercial size bottles such as five- or ten-cent size.

East South Central - Schedule No. 640 - 1,100 cases:

By producing 5-cent or ice-box can.

East North Central - Schedule No. 489 - 7,500 cases:

Use in cooking - Jello, etc.

The following replies refer to the deterioration in flavor of citrus juices and indicate the need for education on the importance of rapid turnover.

South Atlantic - Schedule No. 1228 - 10,850 cases:

Educating wholesalers and retailers on importance of moving citrus stocks during year of pack, so as to reach consumer before deterioration is so far advanced. Have seen retailers get in new stocks and sell out ahead of older stocks until some had an age of two years or more before reaching consumer. That is bad on canned citrus juice.

West North Central - Schedule No. 6679 - 1,700 cases:

Based on our prewar and wartime experience, we have proven the following: On both orange and grapefruit juice - carry as little as possible over to next season. Carry only the later packs. We sell to restaurants and institutions. From 1938-41 we tripled our citrus juice business by selling new juice every year and buying only the pack from the later crops. During war years when we bought what we could get, our citrus juice sales fell off. This was due to several reasons, among them: Carrying over juices from one pack to another and customers would say they have a "tinny taste". Prior to rationing, citrus juices, particularly grapefruit juice, was gaining popularity in high balls - rationing stopped this. A re-educational plan is required to start this consumption again. Cannerys should not pack low quality juices. One case of low quality juice undoes work a jobber does in promoting 1,000 cases of quality juice. If they insist on packing early pack juice, they should use a label that will not interfere with the later packs. A woman buys a can of standard string beans at a price and if it isn't up to her expectations she does not condemn all canned green beans, as she will if she buys a can of inferior citrus juice.

Export markets were suggested as new outlets for citrus juices by a few buyers.

Mountain - Schedule No. 6064 - 2,469 cases:

I believe that since grapefruit and orange juice are in the surplus that a good deal should be exported to help relieve our market, thereby keeping prices normal. Europe and Asia are badly in need of food etc., and in my opinion citrus juices should be one of the products shipped over-seas.

Pacific - Schedule No. 875 - 1,450 cases:

The citrus juice price decline of 1946, set off a chain of declines in other commodities which almost ruined many jobbers. The hungry countries of the world should be educated and advised of the vitamin benefits of citrus juices, and ship some of the thousands of cases which are depressing the local markets, to these countries. I understand that there is another bumper pack of citrus products coming up in 1948. That will only put salt on the citrus packers' wounds. It is a liability instead of an asset. Anything that you can buy in great quantities, and is backed up in warehouses throughout the country, immediately becomes less desirable and an object of price cutting. Let one pack be cleaned up without carry-over, and the new pack can enter as a respectable member of the canned goods community. But in the present state that citrus juices find themselves, the new pack must enter furtively, unkempt and unshaven.

A few buyers wish to see production and processing limited.

Pacific - Schedule No. 3428 - 13,500 cases:

The entire wholesale and especially the retail field is glutted and heavily overstocked. Some several years old. If the juice industry is to survive at a profit, then at least 75% of the acreage should be pulled up before it gets into far worse shape than the cling peach business. The acreage of citrus products at present is many times what this country can absorb and the world at large aside from ourselves will be unable to buy it for years to come. In addition no juice should ever be packed from fruit gathered prior to December 15th and not after that harvested April first. If this practice is not stopped the consumer will soon cease to buy. Also quit blending everything that grows. Orange and grapefruit is alright. Anything else will destroy all taste and flavor.

South Atlantic - Schedule No. 4405 - 1,725 cases:

Curtail production.

East North Central - Schedule No. 2009 - 1,950 cases:

Limit the groves.

New England - Schedule No. 6171 - 4,700 cases:

By not packing more than the trade can absorb.

TRANSPORTATION



GIVE US YOUR IDEAS FOR INCREASING EFFICIENCY
IN DISTRIBUTION OF CITRUS JUICES.

ADDITIONAL 21

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Replies to Question No. 11:

"Give us your ideas for increasing efficiency in distribution of citrus juices"

Transportation was cited by a large number of buyers as a factor in increasing efficiency in the distribution of citrus juices. Many of the replies stressed improved handling in transit; others, adjustments in rates; still others, greater advantages in pool cars and LCL cars. Typical comments are quoted below.

New England - Schedule No. 266 - 103,350 cases:

If the water service from Tampa to Boston were put back in service, it would cut transportation costs by about 1 to 1½ cents on a 46-oz. tin, which would reflect itself in a lower retail price.

New England - Schedule No. 5114 - 4,550 cases:

The market for citrus juices can be expanded by having rail or boat facilities to reach the northern market in good season and to arrive in good condition, which facilitates in selling this merchandise.

South Atlantic - Schedule No. 6497 - 3,750 cases:

The only thought that I have on increasing the efficiency of citrus juice distribution would be the consolidating of pool cars or boat shipments by competing packers to any area where a full carload from any one packer would be out of reason, thereby making it possible for the product to be sold for 1 or 2 cents less to the consumer.

East North Central - Schedule No. 5052 - 17,415 cases:

Have no comment on increasing the efficiency in this distribution. We have had considerable difficulty particularly with citrus juices in as much as there is overloading of cars to such an extent that a large percentage of cases are badly dented. We have many complaints from the retailer and the consumer on this point. More care must be exercised by the shipper and the railroad.

Mountain - Schedule No. 6692 - 12,780 cases:

Careful loading of cars, definite routing and tracing on cars in transit. Being at almost the extreme distance from Florida, transportation has been our biggest problem, some cars taking thirty days enroute. Unless cars are very carefully loaded some cans will be dented, leaking, and being that long in transit the acid in the juice defaces many other tins that otherwise are not damaged. During the past years our damage claims on citrus products have been excessive. Not definitely known but possible reasons could be -- poor cars, improper loading, poor cooperage, poor handling by railroads, improper bulkheads, or faulty break down on pool cars, and leaving damaged merchandise in the car by the first consignee, which in turn has caused additional damage enroute to final destination, due to leaking.

East North Central - Schedule No. 2041 - 10,150 cases:

More care by packers in loading cars and accepting cars from railroad which are not in condition to carry 65,000 lbs. of merchandise from Florida to Michigan. We have considerable damage in Florida Juice cars which can be attributed directly to poor cars.

East North Central - Schedule No. 5091 - 6,950 cases:

There are so many canners today that the average jobber cannot take in cars of all the brands he carries. He brings in one car and waits till it is sold down far enough so he can bring in a car of another brand he carries. Pooled cars would enable him to keep stock on hand of all brands carried. This must be worked out by packer's sales representative in the different areas. Another method would be to carry warehouse stocks in the different trading areas.

New England - Schedule No. 1987 - 6,450 cases:

For straight car buyers there seems little improvement possible. LCL buyers would benefit if pool cars could be handled more efficiently, a task that most Florida shippers manage to bungle badly.

Middle Atlantic - Schedule No. 5178 - 8,880 cases:

By arranging pool car shipments from various shipping points without the extra charges for freight stop-off charges, multiple stop cars.

East North Central - Schedule No. 6328 - 1,800 cases:

More frequent shipments (better use of pool cars) to make unnecessary carrying large stocks. All things equal, we will buy where we can get most satisfactory delivery.

Middle Atlantic - Schedule No. 2600 - 1,425 cases:

One of the best ways for increasing efficiency in the distribution is to get the juice to the point of distribution at the cheapest rate. We found from experience to buy in carload lots and delivered cheaper because we bought at a saving in freight charges.

Middle Atlantic - Schedule No. 3555 - 4,023 cases:

Freight rate (class rates) should be no higher than any other fruit, which it now is.

West North Central - Schedule No. 223 - 20,000 cases:

Reasonable prices on full car loads, with 60 day protection against decline. Higher price for pool car purchases. This will force distributors to purchase full cars each, and tend to cause them to take less mark up to move in 60 days or less. The big buyers will not be as apt to speculate on 10 or 15 cars at a time.

West North Central - Schedule No. 2107 - 5,050 cases:

By loading freight cars more carefully. There seems to be too much shifting in the load causing considerable damage, dented cans, etc.

East South Central - Schedule No. 3783 - 3,140 cases:

Reduce the weight requirement for car-lot shipments to enable jobbers to order more often and keep a better balanced stock.

The suggestion ranking next to transportation in frequency of mention as a method of increasing efficiency in the distribution of citrus juices referred to the need for stabilizing prices.

Middle Atlantic - Schedule No. 5131 - 53,348 cases:

If some method could be found to stabilize prices to some extent throughout the year, thus avoiding the present peaks and valleys, it would help improve efficiency of distribution by providing a more orderly flow into consumption through eliminating speculative inventories at all levels. What is needed is not price-fixing, but some means of decreasing the "dog-eat-dog" competition by which a large distributor sells below cost to force others out of business. This leads to cutting quality, which is ultimately bad for the distribution of the juices. The return of orderly coast-wise shipping at moderate rates would also be a help. At present it is too limited in scope and too undependable in time. The present railroad rates need revision to return to a simple "cents-per-cwt." basis instead of the present variable rates which give an advantage to the extra large buyers.

New England - Schedule No. 256 - 70,000 cases:

Since the citrus market is very unstable, buyers usually only buy on a hand-to-mouth basis. Results are that they are out of merchandise 50% of the time. Recommend uniform prices guarantee on floor stock for 30 days after arrival. Buyers then will see that outlets are stocked 100% of the time.

East North Central - Schedule No. 466 - 106,549 cases:

Keep juice of poor quality off market. Eliminate wide price fluctuations. Keep retail prices low enough to encourage quantity buying and large consumption. Convince retailers potential sales are unlimited. This can be done only after the foregoing has been accomplished. No housewife will give her family, or guests, cheap synthetic drinks when pure fruit juice may be had at reasonable cost. Encourage retailers and trade associations to feature recipes for fruit juice punch in their advertising. (Orange, grapefruit, grape juices and ginger ale, etc.,) There are many delicious combinations.

East North Central - Schedule No. 5214 - 11,500 cases:

By having a market set in price for at least a six-month period. The reason I say six months is due to new crops which are six months apart. When markets in citrus act as they have - buyers, as a rule, buy short for fear of losses. It is a definite fact that our citrus business could at least double its sale were it not for the reason we are out of stock more often than in stock. We are able to buy in some cases warehouse stock from the packers. But in doing so we are faced with two distinct facts. A. Our prices are out of line by the few cents we pay over drawing merchandise from warehouse stocks, thereby not encouraging us or salesman from pushing the item for fear of having the customer tell us we are too high and therefore having him think our entire line is out of line. All we do on such an operation is fill in when asked for a case or two. B. By buying short for fear of losses we have no stock sufficient to put a real citrus drive on at all times. This makes less sales for all. The retailer pushes items that he has stock on hand, and he too does not buy heavy after the first shipments for fear of price decline or he is unable at later dates to repurchase merchandise to be competitive with others. If he buys to meet competition he is in most cases turning his dollar from one pocket to the other with no profit, and therefore, has lost interest in the item. So, as I have said, by having only good quality merchandise released from packers and securing the prices at least six months the packer and all involved in this item will make money due to turnover, made possible by increased sales.

West North Central - Schedule No. 4472 - 61,983 cases:

The sale of citrus juices has tremendous possibilities if market on 46-oz. orange juice will open at about \$2.00 per dozen and remain stable throughout the season -- a fluctuating market hurts the sale. Blend and grapefruit on a basis of \$1.50 for grapefruit. The industry should make every effort to continue improving quality and government agencies should enforce rigid controls along these lines.

West South Central - Schedule No. 3875 - 24,850 cases:

Avoid such wild price fluctuations. Name firm opening prices according to grades give an "early buying allowance" during canning season, being sure that it will be the best price of the year which will encourage retailers to buy with confidence quantities sufficient to make master displays, etc.

Mountain - Schedule No. 5029 - 15,400 cases:

The citrus juice market needs a method of stability. It is always the same story - retail stores losing profits selling juice at a loss in order to be in position to handle the new crop. Each year the bear story makes its rounds. I would like to cite the pineapple juice industry as an industry where this never happens. It runs along smoothly each year with the wholesale and retail stores always knowing where they are.

East North Central - Schedule No. 5091 - 6,950 cases:

Would suggest that canners guarantee jobbers floor stock against their own decline in price for a period of 60 days. This will eliminate so much juggling of prices by canners.

East South Central - Schedule No. 691 - 4,925 cases:

By basing production on demand - eliminate canners "dumping" after distributors have stocked up. This makes distributors cautious about quantities. Also guarantee distributors' floor stock vs. decline. This will stabilize purchasing and movement will grow in a healthy market. Citrus juice must be kept popular by reasonable stable retail prices.

Middle Atlantic - Schedule No. 3504 - 5,313 cases:

Too much difference in price. Price fluctuating up and down, we lost our shirt several times on citrus juices. This does not happen usually on other canned foods.

South Atlantic - Schedule No. 1237 - 2,300 cases:

Prices should not be allowed to be unstable; in other words, buyers should not be afraid to buy a good supply for fear prices will drop heavily. If prices can be stabilized in the low price range, wholesalers will buy more heavily and give better distribution.

The availability of spot stocks in warehouses readily accessible to buyers was next in frequency of mention to stabilized prices as a method of increasing efficiency in the distribution of canned citrus juices.

New England - Schedule No. 1938 - 4,450 cases:

If packers would have warehouse stocks in each city where they have a good trade, the distributors would always have the advantage of the lowest price and thus pass on the savings to the consumer. At certain times, distributors do not wish to buy large quantities. If pool cars do not come into buyer's city, the trucking from the nearest point adds to the delivered cost. Citrus juices always sell better when they are low priced.

East North Central - Schedule No. 4480 - 2,750 cases:

If it is at all possible in the larger market centers, such as Milwaukee, Chicago, etc., a warehouse stock should be at the disposal of wholesale grocers. We have sold several hundred cases that we were able to pick up on spot stocks. If we would have waited for a car or pool car, those sales would be lost. The broker or canner who will be able to maintain a warehouse stock in these centers, I am sure, will get enough extra business to offset the investment.

East North Central - Schedule No. 306 - 10,710 cases:

By maintaining warehouse stocks in cities for fill-ins between carload shipments. By attempting to furnish the brand throughout the 12 months of the year. Both of these suggestions are aimed at permitting consumer to purchase a brand she knows and likes.

West North Central - Schedule No. 2101 - 3,040 cases:

By canners carrying stocks of canned juices in principal cities, which would speed up deliveries and cut costs as the juices could be sent by the canners to distribution points in carload lots and would be readily requisitioned by jobbers rather than waiting until jobber stocks are depleted or low enough to purchase further supplies.

Middle Atlantic - Schedule No. 5140 - 2,002 cases:

Distribution efficiency can be increased by maintaining local warehouses in important centers, as most jobbers lack the warehouse space without extra cost.

Middle Atlantic - Schedule No. 2586 - 1,285 cases:

I believe that in this area markets might be expanded and distribution efficiency increased, by keeping warehouse stocks in nearby large cities instead of making carload shipments as orders are procured by brokers. Oftentimes under present conditions jobbers' stocks are exhausted before cars arrive.

East North Central - Schedule No. 1481 - 3,500 cases:

By having the canners carry "spot" stocks in warehouses located in strategic places throughout the country, so that jobbers can get rush shipments in smaller quantities.

West North Central -- Schedule No. 336 - 1,558 cases:

By stocking complete spot stocks in warehouse in principal cities or points (basic carload prices) for distribution the year around.

East South Central - Schedule No. 3785 - 3,575 cases:

Consigned stocks in central distributing points.

Pacific - Schedule No. 921 - 2,293 cases:

Local warehousing -- freight absorbed.

A number of buyers indicated the desirability of a central selling agency. Others mentioned the desirability of eliminating the broker, direct buying, organization of packers themselves, or selection of best sales organization with frequent follow-ups.

South Atlantic - Schedule No. 1108 - 2,610 cases:

We think the efficiency of distribution of citrus juices is a problem that is squarely up to the citrus industry as a whole. In our opinion, however, the ideal setup would be for some central selling agency, both for fruit and juice, to have control of practically all of the crop and in this way, control shipments to the various markets.

Middle Atlantic - Schedule No. 2615 - 2,500 cases:

There are too many brands - varying quality - too much handling of merchandise. Why not a citrus association similar to the California Walnut Growers Association which controls a majority of the walnut growers of California. Their product is uniform, the price just, and profit fair to all.

South Atlantic - Schedule No. 0650 - 304,550 cases:

Movement among larger packers to cut out brokers. Concentrate on a few larger distributors. Juices are efficiently distributed.

South Atlantic - Schedule No. 3158 - 3,100 cases:

Cut out unscrupulous brokers that render no service at all. Pay this brokerage to someone that does the work--salesman bonus or what not.

South Atlantic - Schedule No. 6222 - 240 cases:

Buying direct.

Middle Atlantic - Schedule No. 411 - 722,410 cases:

Selection by processors of best sales organization in each market they serve and frequent follow-ups by processors with their sales representatives calling on buyers and distributors.

East North Central - Schedule No. 2086 - 30,005 cases:

Organization of the packers themselves should create a more stable market.

Concentration on fewer brands was also suggested as a means of increasing efficiency in distribution.

Mountain - Schedule No. 4145 - 12,400 cases:

Fewer brands more widely advertised.

Middle Atlantic - Schedule No. 3518 - 11,362 cases:

We handle only one brand purchased in cans, take fair margin of profit, and ask our retailers to do the same.

The following comments suggest correction of maldistribution of canned citrus juice stocks.

Middle Atlantic - Schedule No. 7223 - 325 cases:

Toward the ending of each old season, (a period of approximately two months prior to the arrival of new packs) a great number of jobbers find themselves totally sold out of merchandise; others in many areas may have a surplus. I believe an exchange established to control the above-mentioned situation would ultimately result in a greater distribution.

South Atlantic - Schedule No. 4275 - 840 cases:

Having 1 representative personally check jobbers' stocks and advise where to renew your stock or where to dispose of it at no loss to anyone - guarantee.

A few of the other suggestions of a general nature for increasing efficiency in distribution are indicated below.

New England - Schedule No. 575 - 1,375 cases:

More up-to-date citrus reports to all jobbers direct from some unprofitable source. Better and faster deliveries from canners. Also, direct allocation for standard market price.

East North Central - Schedule No. 3222 - 57 cases:

Over-concentration on chain-store promotion has led to an over-balanced position of chain stores selling too big of a percentage of all canned juices sold. Result: smaller and small stores handle it but do not push item as they feel that they have been neglected. A better balanced system of distribution in which smaller and small stores are given more consideration may prove advantageous by pushing the total of citrus juice sales much higher.

East North Central - Schedule No. 6572 - 1,020 cases:

More or less zoning of packers shipments. That is, Texas juice to be distributed in states nearer to its brokers, also pertaining to California and Florida.

New England - Schedule No. 6508 - 1,450 cases:

Better cooperation with wholesalers on shipments will help a good deal.

Middle Atlantic - Schedule No. 3496 - 1,170 cases:

Broker representation by live-wire broker seems to be best way to get cars or pooled cars into various areas.

Twenty-four buyers indicated that they considered the present distribution of citrus juices satisfactory and saw little need for improvement. Typical replies are quoted below.

Middle Atlantic - Schedule No. 563 - 6,150 cases:

I believe citrus juices are the most efficiently distributed commodity in the food industry.

East South Central - Schedule No. 6649 - 2,325 cases:

Do not believe present established methods of distribution of canner, broker, wholesaler, and retailer can be improved upon.

West North Central - Schedule No. 1525 - 4,250 cases:

We find no fault with the present method of distribution. We are happy about the whole thing.

East North Central - Schedule No. 7115 - 2,650 cases:

The distribution of citrus juices is efficiently handled at present.

Middle Atlantic - Schedule No. 538 - 945,000 cases:

Distribution very efficient at present.

West North Central - Schedule No. 2435 - 3,210 cases:

Our distribution is satisfactory.

South Atlantic - Schedule No. 450 - 9,485 cases:

Present distribution satisfactory.

THE UNIVERSITY OF CHICAGO
DEPARTMENT OF THE HISTORY OF ARTS
AND ARCHITECTURE
CHICAGO, ILLINOIS 60637

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UNITED STATES DEPARTMENT OF AGRICULTURE
FARM CREDIT ADMINISTRATION
WASHINGTON 25, D. C.

November 3, 1947

Dear Sir:

Citrus growers and their industry are seeking the answers to some urgent problems. You, as a buyer, can help the Department of Agriculture report to growers and processors through their organizations what needs to be done about some of these problems as you see them. If you will take a few minutes of your time to answer the questions on the enclosed form, I will pass along a summary of the replies, not revealing the identity of your firm.

Two copies of the form are enclosed so that you may retain a working copy for your files. There are, in all, eleven questions which I hope you will answer on the basis of your experience. Your prompt reply will help make it possible for citrus growers and canners to adjust their operations so as to give you and your customers more nearly what is wanted in citrus juices.

Please indicate in the space provided on the enclosed form, if you wish us to send you a copy of the report when it is available. For your convenience in making an early reply, I am enclosing a self-addressed envelope which requires no postage.

Very truly yours,

Harry C. Hensley

Harry C. Hensley
Principal Agricultural Economist

Enclosures

RESEARCH AND MARKETING ACT OF 1946
CONFIDENTIAL CITRUS JUICE SURVEY

BUDGET BUREAU
NO. 40-4749
APPROVAL EXPIRES
DECEMBER 31, 1947

When Completed Return to
Farm Credit Administration, U.S.D.A.
Cooperative Research and Service Division
Washington 25, D. C.

1. Please fill in below the approximate number of cases of canned single-strength citrus juice of each kind and type you purchased during the 1946-47 season which came from each of the leading citrus States:

KIND AND TYPE OF CITRUS JUICE	APPROXIMATE NUMBER OF CASES PURCHASED FROM			REASONS FOR PURCHASING FROM STATE(S) INDICATED
	FLORIDA	TEXAS	CALIF. ARIZONA	
GRAPEFRUIT:				
ORANGE:				
BLEND:				
LEMON:				
TANGERINE:				

2. Name in order of preference the principal factors of quality you look for in buying citrus juices. _____
3. What proportion of the canned citrus juices you purchased during the 1946-47 season was packed under: (1) buyer's labels? _____%; (2) packer's labels? _____%.
4. Names of the three principal brands purchased in 1946-47 would be appreciated if you can readily supply them: (1) _____ (2) _____ (3) _____.
5. Check your juice purchasing methods: (1) Packer's Sample _____; (2) U.S. Grade _____; (3) Packer's Sample and U.S. Grade _____; (4) Packer's Grade _____; (5) Buyer's Specification _____; (6) Other _____. (7) Which method do you most frequently use? _____
6. In your purchasing, have you favored products processed in plants having U.S.D.A. Continuous Inspection? (Continuous Government inspection at the packer's plant as differentiated from Government inspection of samples) Yes _____; No _____. Explain _____
7. What can size moves best for: (1) Grapefruit _____ (2) Orange _____ (3) Blend _____ (4) Lemon _____ (5) Tangerine _____
8. Do you purchase citrus juice concentrates? Yes _____; No _____. If so, indicate approximate quantities (and units) purchased in 1946-47 from:

	CANNED CONCENTRATE OR BASE			FROZEN CONCENTRATE		
	FLORIDA	TEXAS	CAL.-ARIZ.	FLORIDA	TEXAS	CAL.-ARIZ.
ORANGE.....						
GRAPEFRUIT...						
LEMON.....						

9. Do you purchase any frozen single strength citrus juices? Yes _____; No _____. If so, indicate kind, quantity, (also units), and the State(s) from which purchased in 1946-47. _____
10. How can the markets be expanded for citrus juices? (Use reverse side or separate sheet for reply.)
11. Give us your ideas for increasing efficiency in distribution of citrus juices (use reverse side or separate sheet for reply.)
- Firm name _____ Address _____
- Your name _____ Title _____
- Do you wish us to mail you a summary of the reports received? Yes _____; No _____. 